

Steve Troxler, Commissioner of Agriculture

NCDA&CS Food Distribution Monthly E-Notification February 2014

•	Farm to School	Ted Fogleman
•	Bob's List Update	Bob Sitton
•	Entitlement Update	Bob Sitton
•	Upcoming Training in 2014	Gary Gay
•	Perdue announces Pause for Kings Delight	Bob Sitton
•	Central Valley Meats Recall	Tony Wilkins
•	State Emergency Notification System (SENS): Self Update Process	Tony Wilkins
•	USDA Important Announcements/Updates	Tony Wilkins

NC Farm to School Calendar SY 2014

Week of February 9, 2014 Week of February 23, 2014 Week of March 9, 2014 Week of March 23, 2014 Week of April 6, 2014 Week of April 27, 2014 Week of May 4, 2014 Week of May 11, 2014 Week of May 18, 2014

Kale, Apples Slices, Collards Sweet Potatoes, Apple Slices Apple Slices Apple Slices, Sweet Potatoes Kale, Collards Strawberries, Romaine Strawberries, Romaine Strawberries, Blueberries

USDA has started to open up the USDA Foods catalog for the 2014-15 school year. We are currently working on the catalog and we will be sending out instructions shortly for you to start ordering.

We have established a new category in accounting for your USDA Foods. It is titled No Charge, What does it mean? It means that you may receive extra or surplus USDA foods that are entitlement but they will not be charged against your entitlement, with so many school districts in the red this year with their entitlement dollars. you can now receive USDA foods from Bob's List that are entitlement and it will not put you deeper in the red. You can track the No Charge foods on your 209 Report. If you have any questions about this, you may contact Bob.Siton@ncagr.gov

Food Distribution will be monitoring K12 and Processor Link to make sure schools are drawing down their pounds. If we see something that does not look right, you will receive an email from Tysha inquiring about the situation. We hope this will prevent problems that can develop from pounds not being drawn down.

Also Food Distribution will now be accounting for all Farm to School payments. If you order Farm to School through NC ECOS you are billed by NCDA for the produce,. We will now be posting those payments and if a payment has not been posted after 30 days from delivery, you will receive a email from our office inquiring about the payment.

A reminder of our USDA Training for New Directors and Supervisors in Butner on February 19-20, 2014.

USDA Training for Directors and Supervisors in the Western and Piedmont areas of our state will be March 19 and 26, 2014. You will be receiving registration material from your Field Rep.

Bob's List activity is picking up. We have recently updated the list adding: Diced Tomato Pouch, three flours: whole grain Rotini, Macaroni, and Tortillas. Currently there are five Bonus items listed which will **not** require entitlement dollars **if** you are currently over budget. If you have entitlement remaining, this could be a good means to deplete remaining entitlement dollars. Also, if you have slow moving inventory, complete the form and we will add your inventory to the list.

The link below is where you can find Beef Crumbles, Beef Patties, Cheese Vegetable oil, Peanut butter, Peas, Pork ham, Pork leg roast, or Turkey for FREE! http://www.ncagr.gov/fooddist/Highlights/BobList.htm

These are items ordered to meet the truck load requirement, and currently have no allocations, better known as surplus product. Some items on the list are being offered by other districts.

Keep checking back on Bob's List as updates are made periodically.

I will soon know more about the \$2.8 million deficit headed into SY 2015. It is bittersweet news concerning Allen's Inc., the supplier for canned carrots and canned sweet potatoes. Allen's filed Chapter 13 back in December. We are due from Allen's 15 trucks of sweet potatoes, 5 trucks of canned carrots, and 3 trucks sweet potatoes mashed. It is looking doubtful that we will be receiving these items from Allen's; however, FNS continues to search for other manufacturers to fill these orders. If not found and orders cannot be filled, this will cut our \$2.8 deficit by almost half.

The deficits amounts will be taken from SY 2014-2015 for those districts in the red for SY 2013-2014. We should know the SY 2014-2015 beginning entitlement by late January, before opening the NCECOS catalogue for order placements in late February. The deficit amount taken will be reflected on each 209 Report as an Entitlement Adjustment in SY 2014-2015.

DOD Entitlement Results

Bob Sitton

On December 4, I sent out a notice for DOD Entitlement set aside for SY 2015. I thank you for your timely responses.

The result is good with DOD sales up by \$114,300.00 over the current school year. The SY2014-2015 total is \$3,510,068, with seven districts dropping out, one new district joining for a total of 54 districts participating in 2015.

We are implementing a new USDA Commodity Training Program for the 2013-14 school year. Listed below you will see the dates and locations of the training. We will continue to have our New Director and Supervisor Training in Butner, which is focused on new directors and supervisors. We are adding this year, training for all directors and staff. This training module is focused on covering the general aspects of the USDA Commodity Program and as well provides a refresher course on the commodity program. The USDA Commodity Program continues to change and evolve from year to year and we felt that training was needed to help directors and supervisors understand the program. The training for New Directors and Supervisors is different from the training that we will conduct for existing directors and supervisors.

February 19-20, 2014 NCDA&CS Food Distribution

New Director & Supervisor Training: Butner, NC

March 19, 2014 NCDA&CS Food Distribution

Director & Supervisor Training: Virginia Boone Center, WNC Fletcher, NC

(This is for directors and supervisors in Beth Frith's area)

March 26, 2014 NCDA&CS Food Distribution

Director & Supervisor Training: Sheraton Four Seasons Greensboro, NC

(This is for directors and supervisors in Amie Shinn's area)

• As you can see we are doing this by our Field Reps area, so we are keeping it to small groups.

April 27-29, 2014 39th Annual ACDA Conference

You are invited to attend the American Commodities Distribution Association (ACDA) Annual Conference in Austin, Texas. For more info go to www.commodityfoods.org

In late November 2013, Perdue notified NCDA&CS Food Distribution Division that King's Delight will not be processing USDA foods during SY 2014-2015. They plan to step back to do some product realignments.

Scroll down to view Perdue notification letter.



Perdue 'pauses' its Kings Delight/Clux Delux brands of Commodity Processing product offerings for the 14/15 School year in order to develop an updated program and original, new products for the 15/16 School Year.

The Kings Delight/Clux Delux Commercial CN product line will feature new benefits for the 14/15 school year.

To Our Valued K-12 Customers

The Kings Delight and Clux Delux brands have been respected and innovative brands for the past 10 years as both a Commodity Processing and Commercial CN supplier within the K-12 segment.

And Perdue intends to insure we maintain that reputation in the future....albeit there is work to do.

For a number of reasons we have not adequately delivered on the past reputation of these fine brands. This is especially the case with our Commodity Processing program.

We are convinced that these brands and our company have a significant place in the K-12 Segment. And we are dedicated to revamping our Commodity Processing product line and business model to more adequately meet this changing segment's needs related to current trends and USDA requirements for school nutrition programs....and insure long term viability as a respected and innovative supplier to K-12.

To do this, we have much work to revamp our CP offering.....including changing to 'Net Off Invoice' to align with this segment's needs.

We will be suspending our Commodity Processing product offering for the 14/15 school year so that we have adequate time to be prepared with the immense changes necessary to bring reliability, innovation, and ease of doing business to our K-12 customers in the 15/16 school year.

In the meantime we are preparing for the 14/15 school year with important innovations on our 'Commercial CN' Kings Delight & Clux Delux brands.

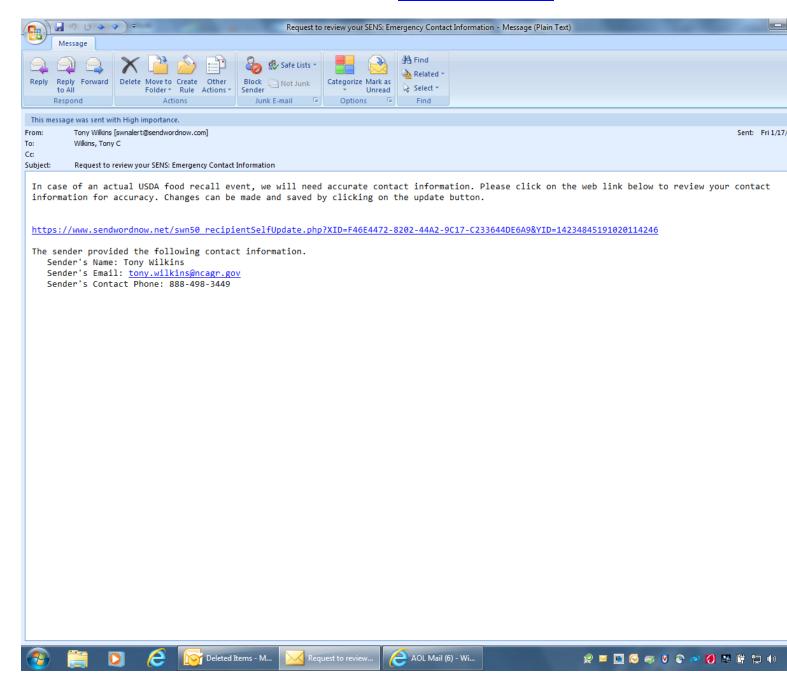
Our K-12 Team now lead by Jennifer Armstrong along with Lisa Chasak and Frank Samuelson is highly experienced in the K-12 Segment. They along with the K-12 Team at Key Impact Sales will be introducing meaningful product innovation.

Vice President Foodservice Distribution Sales

We finally received the recall reimbursement check from Central Valley Meats and we are in the process of issuing checks, based on the case totals reported.

State Emergency Notification System (SENS): Self Update Tony Wilkins

In mid February, you will receive an email, as pictured below. Please take a few minutes to <u>click on the link</u> <u>and review your contact information</u>. This is how you will be notified, in case of a USDA recall event. Emails will go out to each person originally designated for your location. We can add additional people upon request. You can contact me direct at 919-575-4490 x 204 or email tony.wilkins@ncagr.gov



<u>6 Cents Final Rule:</u> On January 2, 2014, the 6 Cents Final Rule became available on the Federal Register's website for public inspection. The final rule will be published in the Federal Register on Friday, January 3, 2014. The 6 cents final rule makes permanent the flexibilities for grains and meat/meat alternates.

http://www.cde.state.co.us/nutrition/osn6centcertificationusdafinalrule01022014

2014 Summer Food Service Program Reimbursement Rates Published: FNS announces the 2014 Summer Food Service Program rates.

http://www.gpo.gov/fdsys/pkg/FR-2014-01-07/pdf/2014-00032.pdf

Elimination of Weekly Maximums / Sugar OK with Frozen Fruit Cups:

Feedback on the memoranda concerning flexibility for weekly maximum grains and meat/meat alternates has been overwhelmingly positive, and there have been numerous requests to further extend this change. This new flexibility or measuring compliance has had a meaningful impact on the certification process by making it less complicated for SFAs to be certified as compliant with the new meal pattern. Allowing for more grain and meat/meat alternates has also increased student acceptability of the new meals they are being served. Therefore, FNS is making this flexibility permanent by including it in this final rule at 7 CFR 210.7(d)(1). Because ongoing compliance with the meal patterns is assessed during administrative reviews, FNS is further extending this flexibility by including in the final rule at 7 CFR 210.18(g)(2)(vi). When conducting administrative reviews, State agencies should consider any SFA compliant with the weekly ranges for grains and meats if the weekly minimums are met. SFAs continue to be required to meet the weekly minimum and maximum range requirements for calories and the other dietary specifications.

From page 9-10:

In addition to the challenges associated with processing frozen fruit without sugar, allowing SFAs to use frozen fruit with added sugar will make it less complicated for SFAs to meet meal pattern requirements, and also expand the types of frozen fruit allowable in school meals. It is also consistent with canned fruits since some added sugar is allowed in canned products. Additionally, the calorie limits for meals help preserve the integrity of the updated nutrition standards, as schools have to plan menus and select products carefully, including frozen fruit with added sugar, in order to be in compliance with the standards. For those reasons, FNS is making this flexibility permanent by including it in this final rule at 7 CFR 210.7(d)(1)(iii)(B). Because ongoing compliance with the meal patterns is assessed during administrative reviews, FNS is further extending this flexibility by including it in the final rule at 7 CFR 210.18(g)(2)(vi). When conducting administrative reviews, State agencies should consider any SFA compliant with the meal pattern requirements even if the SFA serves frozen fruit containing added sugar. This flexibility is also applicable to fruit offered in the School Breakfast Program.

https://www.federalregister.gov/articles/2014/01/03/2013-31433/certification-of-compliance-with-meal-requirements-for-the-national-school-lunch-program-under-the